

**GENERAL STATEMENT
BUREAU OF RECLAMATION
BUDGET JUSTIFICATIONS - FY 2006**

Introduction

Reclamation's FY 2006 Budget request continues to support Reclamation's efforts to deliver water and generate hydropower, consistent with applicable State and Federal law, in an environmentally responsible and cost-efficient manner.

The funding proposed is for key projects that are important to the Department and in line with Administration objectives. The budget request also supports Reclamation's participation in efforts to meet emerging water supply needs, to resolve water shortage issues in the West, and to promote water conservation and improved water management and to take actions to mitigate adverse environmental impacts of projects.

The FY 2006 request for Reclamation totals **\$946.7** million in gross budget authority, a decrease of **\$18.2** million from the FY 2005 enacted level of **\$964.9** million (does not include the \$5 million supplemental appropriations for the Southern Nevada Water Authority). The request is partially offset by discretionary receipts in the Central Valley Project Restoration Fund (\$43.9 million) and Hydropower Direct Financing proposal (\$30 million), resulting in net discretionary budget authority of **\$872.8** million, a decrease of **\$45.8** million over the FY 2005 enacted level of **\$918.6** million (does not include the \$5 million supplemental appropriations).

Water and Related Resources - \$801,569,000

The FY 2006 Water and Related Resources request provides funding for five major program activities -- Water and Energy Management and Development (**\$320.8** million), Land Management and Development (**\$35.3** million), Fish and Wildlife Management and Development (**\$84.0** million), Facility Operations (**\$206.5** million), and Facility Maintenance and Rehabilitation (**\$185.2** million). The request includes funding for Water 2025 totaling **\$30.0** million that focuses on developing a forward-looking water resource management program that will respond to the growing demand for water, as opposed to costly crisis management approaches. The request continues to emphasize assurance of operation and maintenance of Reclamation facilities in a safe, efficient, economic, and reliable manner; public safety including measures to protect the security of facilities; sustaining the health and integrity of ecosystems while addressing the water needs of a growing population; and assisting states, tribes, and local entities in solving contemporary water resources issues. The request is partially offset by an undistributed reduction of **\$30.2** million, in anticipation of delays in construction schedules and other planned activities.

Loan Program - \$0

No funding is requested in FY 2006.

Policy and Administration - \$57,917,000

The **\$57.9** million request is a decrease of \$240,000 from the FY 2005 enacted level of **\$58.2** million. The reduction reflects implementation of management efficiencies focused on reducing general administrative costs Reclamation-wide. Funding requested will be used to 1) develop, evaluate, and direct implementation of Reclamation-wide policy, rules, and regulations including actions under the

Government Performance and Results Act and implement the President's Management Agenda; and 2) manage and perform functions, which are not properly chargeable to specific projects or program activities covered by separate funding authority.

Central Valley Project Restoration Fund - \$52,219,000

This fund was established by the Central Valley Project Improvement Act, Title XXXIV of P.L. 102-575, October 30, 1992. The request of **\$52.2** million is expected to be offset by discretionary receipts totaling **\$43.9** million, which is the maximum amount that can be collected from project beneficiaries under provisions of Section 3407(d) of the Act. The discretionary receipts are adjusted on an annual basis to maintain payments totaling \$30.0 million (October 1992 price levels) on a three-year rolling average basis. The net amount requested for FY 2006, after the offset, is the same as FY 2005. These funds will be used for habitat restoration, improvement and acquisition, and other fish and wildlife restoration activities in the Central Valley Project area of California.

Working Capital Fund – \$0

This fund is operated for the purpose of managing financial activities such as acquisition and replacement of capital equipment, recovery of the cost of service provided to others, and the recovery of indirect costs in the Technical Service Center, Management Service and Human Resources Offices, regional, and area offices. The fund operates on a self-supporting basis through user charges that are deposited in the fund. Information technology services are funded through this account.

California Bay-Delta Restoration Fund - \$35,000,000

On October 25, 2004, Federal legislation was signed by the President authorizing \$389 million in Federal appropriations per P.L. 108-361, also titled the Calfed Bay-Delta Authorization Act. The Act provides authorization for the period of FY 2005 through FY 2010. Funds are requested to continue implementation of Stage 1 activities consistent with existing and new authorities. These activities are included in the preferred program alternative recommended by CALFED and approved by the Secretary of the Interior. The majority of these funds will specifically address the environmental water account, water use efficiency, conveyance, ecosystem restoration, storage studies, and program administration.

Hydropower Direct Financing

The FY 2006 request includes appropriations language to reclassify certain receipts collected by the Western Area Power Administration (WAPA). Each year, WAPA would deposit in this account an amount sufficient to pay all operation and maintenance costs associated with the power functions of Reclamation facilities that generate the power sold by WAPA. A somewhat broader direct funding arrangement is already in place for the Bonneville Power Administration, as authorized in section 2406 of the National Energy Policy Act of 1992 (P.L. 102-486).

Management Excellence

Reclamation continues to strive for excellence in all areas of the President's Management Agenda. Efforts toward advancing management excellence in the 2006 budget include: 1) improvements in performance based budgeting, 2) program evaluations utilizing the Program Assessment Rating Tool (PART), and 3) managerial studies to improve organizational, management and resource configurations.

Performance Based Budgeting: Reclamation continues to strengthen its performance based budget in 2006. The budget's performance-oriented framework supports its mission and key outcome goals to: 1)

Deliver Water Consistent with Applicable State and Federal Law, in an Environmentally Responsible and Cost-Efficient Manner, and 2) Deliver Power Consistent with Applicable State and Federal Law, in an Environmentally Responsible and Cost-Efficient Manner. Goals that reflect Reclamation's work in Resource Protection and Recreation are also included. The framework includes both long-term and annual performance goals that link to the Department of the Interior (DOI) Strategic Plan.

During the 2006 budget process, regions and offices set performance targets and request resources needed to achieve target levels for performance goals. Funding requests for all projects and bureauwide programs are linked to the DOI Strategic Plan, further strengthening budget and performance ties. Decision-makers then use this information to consider performance impacts associated with funding increases/decreases during initial budget formulation.

For the first time, Activity Based Costing (ABC) summary data was used during the 2006 Budget Review Committee process to help regions establish funding baselines. Cost data for outputs will soon become available as another tool to enhance budget decision-making.

Program Evaluations: Reclamation's performance budget also includes performance goals used in the assessment of program performance. For the 2006 budget, Reclamation's *Water Management/Project Planning and Construction* and its *Recreation and Concessions* programs were evaluated by PART.

Water Management/Supply – Planning and Construction: This program supports Reclamation's mission by planning and constructing water storage facilities and conveyance systems. The program was rated Results Not Demonstrated by the PART. The PART found that while the program has a long record of success, it currently builds projects without having a well-defined set of program goals or a long-term plan. It also has problems with internal communication regarding project development standards. While the program has some performance measures that track long-term goals such as water storage capacity, it lacks performance measures that track progress on individual projects, and that link individual projects to achieving long-term departmental goals. Reclamation is developing a measure to meet this need.

Recreation and Concessions: Recreation is a peripheral activity to Reclamation's core mission of delivering water and power. However, because Reclamation's many reservoirs attract people looking for recreation opportunities, some level of recreation program is necessary. The PART rated the program as Adequate, but identified structural problems. Program staff will work to improve performance measures, and the Administration will submit legislation to change the program's authorization, to give the Bureau broader authority to address particular management challenges.

Management Studies: By FY 2006, The National Academy of Science (NAS) should have completed a study to assist Reclamation in determining the appropriate organizational, management, and resource configurations to meet its construction and related infrastructure management responsibilities associated with fulfilling Reclamation's core mission of delivering water and power for the 21st century.

(For more information on the Presidential Management Agenda, see General Statement, pages 10-39.)

Fleet Management

Reclamation's budget request includes a decrease of \$209,000 for anticipated savings related to improved vehicle fleet management.

In 2004, the Department began a collaborative initiative to improve fleet management, developed a strategic plan, and began to implement recommendations from a review of the program conducted by the Office of Inspector General. The initiative focuses on economic-based strategies, including

implementation of life-cycle replacement schedules, disposal of underutilized vehicles and vehicles that have surpassed their lifecycle, use of fleet performance measures, energy-saving practices and expanded use of alternate-fueled vehicles, and expanded leasing. The Department-wide strategy for improved fleet management includes migrating fleet management programs to a more standardized operational model that promotes energy-saving technologies, the development of fleet composition baselines and multi-year plans, improved performance metrics that address efficiency and effectiveness, vehicle and motor pool sharing, and purchase and lease arrangements that consider seasonal workforces.

On an annual basis, Interior spends over \$160 million to operate and maintain its fleet of approximately 31,000 vehicles. Interior's improvement plan provides a goal for reduction to fleet expenditures of \$11 million in 2005 and an additional \$2 million in 2006. Reclamation has developed a fleet management strategy that is being implemented to help in achieving its targeted savings.

Space Management

Reclamation's budget request includes a decrease of \$446,000 for anticipated savings in space costs. Annually the Department of the Interior spends \$300 million to lease space from the General Services Administration and others. Because of the long-term commitment contained in most leases, savings from this initiative will accrue to a large degree in future years. The 2006 budget assumes initial savings of \$6.0 million Department-wide.

Recognizing the potential for improved effectiveness and efficiency in the management of space in the long-term, Interior and its bureaus are undertaking reforms in space management. These reforms, which are part of its Asset Management Plan under E.O. 13327, include a more centrally controlled process to manage space, multi-year planning to consolidate dispersed space and co-locate to promote interagency collaboration, and adoption of more equitable allocations of space that adhere to security and safety and health standards. Long-term benefits are expected to result from Interior's space management reform, which will utilize best practices now in place. Multi-year plans will be used to focus on improved effectiveness and efficiency in supporting bureau missions and guide future lease arrangements and the use of owned space in order to maximize consolidation and co-location. By strategically analyzing and planning space management needs and opportunities, the Department will also be able to consider workforce changes such as telecommuting, information technology solutions, and other factors in making future arrangements for facilities.

BUREAU OF RECLAMATION
Budget Authority - FY 2004 - 2006
(\$ in Thousands)

Appropriation	FY 2004 Actual	FY 2005 Enacted	FY 2006 Request
Water and Related Resources 1/	852,439	852,605	801,569
Loan Program 2/	199	0	0
Policy and Administration 3/	55,197	57,688	57,917
Working Capital Fund	(4,525)	0	0
California Bay-Delta Restoration	0	0	35,000
Central Valley Project Restoration Fund 4/	39,548	54,628	52,219
Sub-Total - Current Authority	942,858	964,921	946,705
CVP Restoration Fund Offset	(30,774)	(46,369)	(43,918)
TOTAL NET CURRENT AUTHORITY	912,084	918,552	902,787
Hydropower Direct Financing Offset			(30,000)
REVISED NET CURRENT AUTHORITY	912,084	918,552	872,787
Permanents:			
CRDF, Boulder Canyon Project	67,771	82,715	80,974
Miscellaneous Permanents	215	280	280
Trust Funds	5,542	1,300	1,300
Loan Program (Subsidy Reestimates)	0	20,667	0
Loan Liquidating Account	0	(2,546)	(2,580)
San Gabriel Basin Restoration Fund	161	145	0
Sub-Total Permanent Authority	73,689	102,561	79,974
San Gabriel Basin Restoration Fund Offset	(161)	(145)	0
TOTAL PERMANENT AUTHORITY	73,528	102,416	79,974
GRAND TOTAL	985,612	1,020,968	952,761

- 1/ FY 2004 includes rescission of \$5,059,238 authorized by P.L. 108-199. FY 2005 includes rescission of \$6,875,848 authorized by P.L. 108-447. FY 2005 does not include supplemental appropriations of \$5,000,000 for the Southern Nevada Water Authority authorized by P.L. 108-324.
- 2/ FY 2004 includes rescission of \$1,180 authorized by P.L. 108-199.
- 3/ FY 2004 includes rescission of \$327,598 authorized by P.L. 108-199. FY 2005 includes rescission of \$465,224 authorized by P.L. 108-447.
- 4/ FY 2004 includes rescission of \$52,073 authorized by P.L. 108-199. FY 2005 includes rescission of \$66,608 authorized by P.L. 108-447.

BUREAU OF RECLAMATION MAJOR OFFICES AND REGIONAL BOUNDARIES



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Commissioner's Office
1849 C. Street, N.W.
Washington D. C. 20240-9997

Pacific Northwest Region
1150 North Curtis Road
Boise, ID 83706-1234

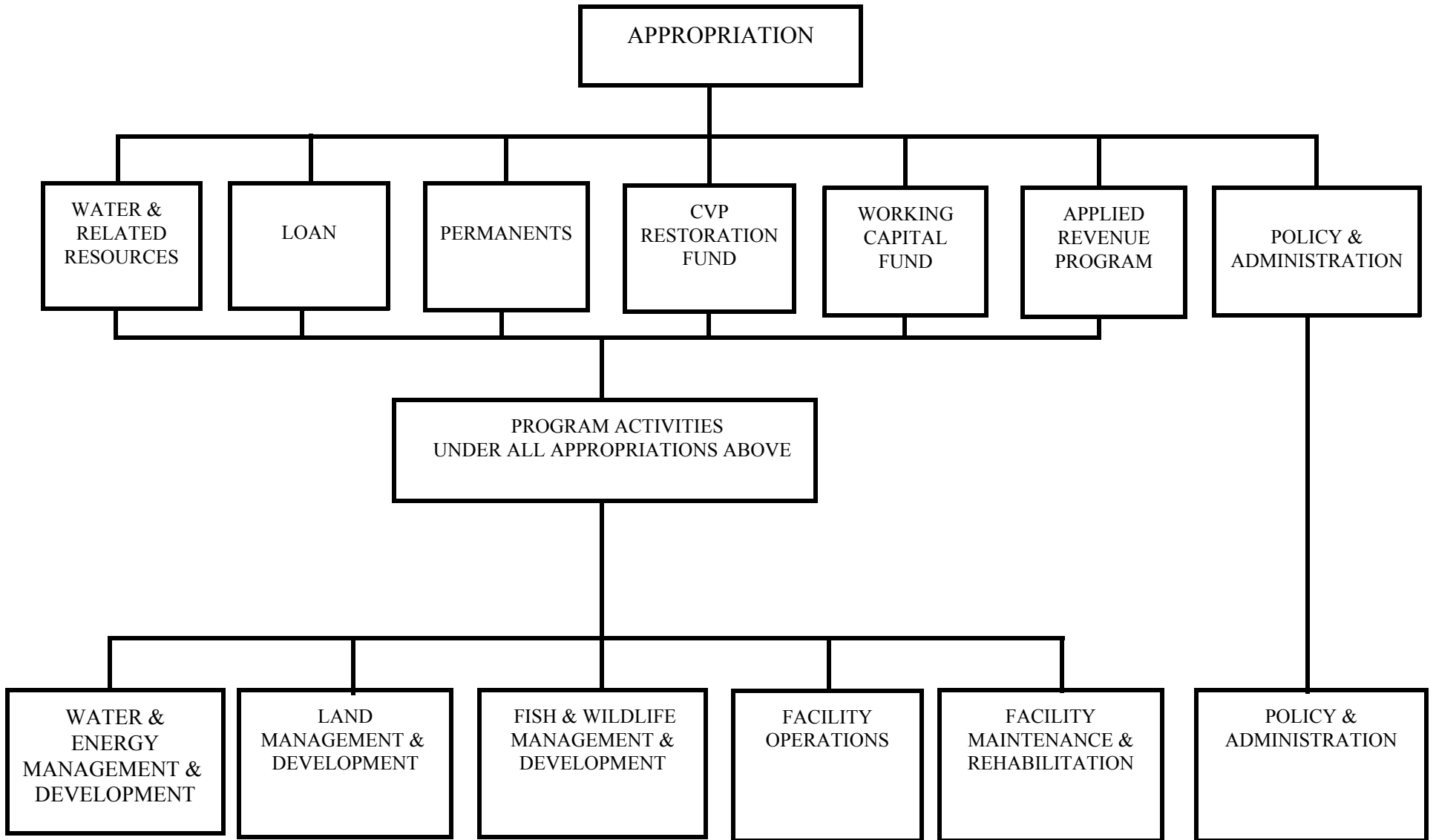
Mid - Pacific Region
2800 Cottage Way
Sacramento, CA 95825-1898

Lower Colorado Region
P.O. Box 61470
Boulder City, NV 89006-1470

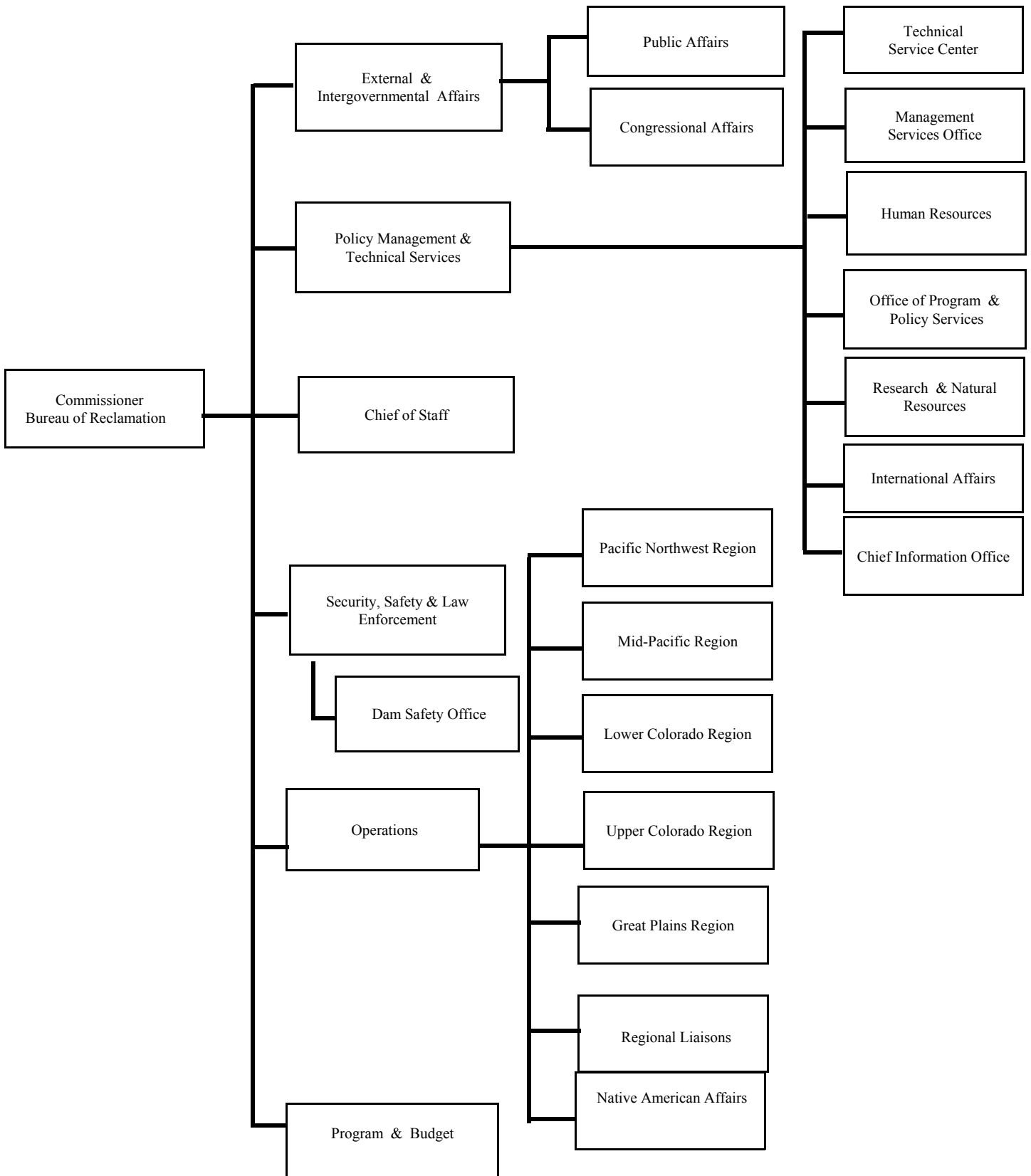
Upper Colorado Region
P.O. Box 11568
Salt Lake City, UT 84147-0568

Great Plains Region
P.O. Box 36900
Billings, MT 59107-6900

**DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION**



**DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION
ORGANIZATIONAL STRUCTURE**



Bureau of Reclamation																	
Table 1: FY 2005 Enacted Linkage to End Outcome Goals																	
(in \$000)																	
	RESOURCE PROTECT			RESOURCE USE						RECREATION		SERVING COMMUNITIES					TOTAL
	1.1	1.2	1.3	2.1	2.2	2.3	2.4	2.5	2.6	3.1	3.2	4.1	4.2	4.3	4.4	4.5	
	Improve health of watersheds and landscapes	Sustain biological communities	Protect cultural and heritage resources	Provide access to responsible use and optimum value - energy	Provide access to responsible use and optimum value - non-energy	Provide access to responsible use and optimum value - forage	Provide access to responsible use and optimum value - forest	Deliver water in an environmentally safe manner	Deliver power in an environmentally safe manner	Provide for a quality recreation experience	Fair Value in Recreation*	Protect lives and property	Advance knowledge through scientific leadership	Fulfill trust responsibilities	Advance quality communities for tribes	Advance quality communities for Islands	Total
ACTIVITY/ACCOUNT																	
Water & Related Resources	24,395	2,076	1,471					736,147	72,234	16,177	105						852,605
Policy and Administration1/	1,650	138	98					49,820	4,886	1,090	6						57,688
Central Valley Project Restoration Fund 2/								54,628									54,628
California Bay Delta																	
Total BOR3/	26,045	2,214	1,569					840,595	77,120	17,267	111						964,921
1/Policy and Administration is prorated proportionately across goal areas and does not include ATB in the amount of (465).																	
2/Does not include CVP Restoration Fund offset in the amount of (\$46,369) or ATB in the amount of (67).																	
3)Does not include underfinancing in the amount of (63,995) and ATB in the amount of (6,876).																	

Bureau of Reclamation																		
Table 1: FY 2006 Justifications Budget Linkage to End Outcome Goals																		
(in \$000)																		
	RESOURCE PROTECT			RESOURCE USE						RECREATION		SERVING COMMUNITIES						TOTAL
	1.1	1.2	1.3	2.1	2.2	2.3	2.4	2.5	2.6	3.1	3.2	4.1	4.2	4.3	4.4	4.5		
	Improve health of watersheds and landscapes	Sustain biological communities	Protect cultural and heritage resources	Provide access to responsible use and optimum value - energy	Provide access to responsible use and optimum value - non-energy	Provide access to responsible use and optimum value - forage	Provide access to responsible use and optimum value - forest	Deliver water in an environmentally safe manner	Deliver power in an environmentally safe manner	Provide for a quality recreation experience	Fair Value in Recreation*	Protect lives and property	Advance knowledge through scientific leadership	Fulfill trust responsibilities	Advance quality communities for tribes	Advance quality communities for Islands		Total
ACTIVITY/ACCOUNT																		
Water & Related Resources	24,075	2,094	1,008					721,392	66,735	16,332	105							831,741
Policy and Administration1/	1,668	144	69					50,282	4,617	1,131	6							57,917
Central Valley Project Restoration Fund 2/								52,219										52,219
California Bay Delta								35,000										35,000
Total BOR3/	25,743	2,238	1,077					858,893	71,352	17,463	111							976,877
1/Policy and Administration is prorated proportionately across goal areas.																		
2/Does not include CVP Restoration Fund offset in the amount of (\$43,918).																		
3)Does not include underfinancing in the amount of (\$30,172).																		

Budget and Performance Integration

The President's Management Agenda. Reclamation is committed to excellence in each of the five President's Management Initiatives, which include competitive sourcing, strategic management of human capital, improved financial performance, expanded electronic government, and integrating budget and performance. Reclamation has created and implemented action plans under each of the initiatives to "get to green."

Budget and Performance Integration – Reclamation continues to make strides in its budget and performance integration initiative. This progress includes strengthening its performance based budgeting framework through the use of integrated cost, budget and performance data to support decisionmaking. During the initial stages of budget development, budget and performance guidance are integrated and distributed to regional and area offices. The guidance sets forth requirements for integrating budget and performance on a project by project and/or program basis.

Performance targets are set during the preliminary phase of budget development, and regions are required to link all funding requests to the Interior Strategic Plan and its associated goals and measures. Throughout the 2006 budget process, performance targets are adjusted for increases/decreases in funding and analysis of project/program impacts.

During the 2006 budget development process, Activity Based Costing (ABC) data was used for the first time to help establish funding baselines. Implemented in 2003 in conjunction with Interior's system, Reclamation has refined its ABC activities and processes over the past year, and completed a trial run of ABC reporting. During the 2007 budget development process, cost data will be further refined, analyzed and presented to Reclamation leadership with recommendations for its use in the decisionmaking process.

Reclamation's performance based budget is also supported by its overall planning and performance framework. This framework is depicted visually in what is referred to as the Budget and Performance Integration (BPI) Matrix. Within the matrix, each Strategic Plan end outcome goal and strategy are linked to the appropriate ABC activity and PART program, which are aligned with the corresponding budget accounts. ABC cost information links to the strategic plan goals to demonstrate the cost of not only producing a product or output, but also the cost of achieving a desired outcome or result. Understanding the relationship between each of the components is important to planning and budgeting. A portion of the Matrix is illustrated below:

Budget & Performance Integration (BPI) Matrix

GPRA Mission Area		ABC/M	PART	BOR Programs	Budget
Mission/Outcome Goals	Strategies	Cost Activity	USBR PART Programs	Program/Line Items	Programmatic Activities
Resource Use					
Deliver water consistent with applicable State and Federal Law, in an environmentally responsible and cost efficient manner (water)	Strategy 1: Operate and maintain a safe and reliable water infrastructure	4H – Operate Dams/Water Storage Facilities	Water Management Program (O&M), Site Security, Science and Tech	Operations, daily O&M, water quality monitoring, sedimentation studies, security management, law enforcement, accessibility reviews, public access, safety, daily canal operations, repayment contracts, title transfer, etc.	A10: Water and Energy Management and Development; S&T activities related to operations, A40 Facility Operations

Budget and Performance Integration

1. Program Assessment Rating Tool (PART):

As part of the FY 2006 budget, Reclamation's *Water Management/Supply – Planning and Construction* and *Recreation and Concessions* programs were evaluated by the PART. The entire Water Management/Supply program has been separated into three initiatives that will be parted over 3 years. The 3 initiatives include: 1) Planning and Construction, 2) Operations and Maintenance and 3) Environmental Protection & Mitigation.

Water Management/Supply – Planning and Construction: The *Planning and Construction* program supports Reclamation's mission by planning and constructing water supply storage facilities and conveyance systems. While Reclamation has a variety of performance measures that relate to meeting its long-term outcome: "Complete Construction," the program did not have bureauwide performance metrics to measure annual progress or ambitious long-term targets. The lack of a clear linkage between performance measures and the budget was also a factor in the PART rating, *'Results Not Demonstrated'*. To address these concerns, Reclamation is developing improved measures for the construction component of the program.

Recreation and Concessions: Reclamation's *Recreation and Concessions* program manages its recreation facilities and concession operations, primarily at its reservoirs in the 17 western states. Recreation is a peripheral activity to Reclamation's core mission of delivering water and power. As such, it is not afforded the same focus as mission-critical activities such as water and power operations and maintenance. The PART evaluation identified the program's greatest challenge as finding and maintaining project partners for recreation facilities, and rated it as *Adequate*. The program has some performance measures, some of them associated with other recreation programs participating in the Recreation User Fee Demonstration Program. The PART also identified a need to expanded authority to address certain management challenges associated with its recreation facilities. The Administration will submit legislation to Congress to address those needs.

Science & Technology (S&T) Program – As part of the FY 2005 budget, S&T was the only Reclamation program evaluated by the PART. The S&T program was restructured in FY 2003 to optimally support Reclamation's core-end outcomes of water and power deliveries. The PART recognized the improvements made, and that overall the program is well managed and rated the program as effective. The program has long-term goals to measure the results of science and technology efforts and products. The Research Office is part of the S&T program and received the 2003 Denver Federal Executive Board's Legacy Award for Exceptional Productivity or Process Improvement. The PART recommends that the bureau: (1) Propose legislation that would establish overarching authority for Reclamation to enter into grants and cooperative agreements with universities, non-profit organizations, private sector and other R&D entities. (2) Propose legislation to facilitate direct financing of hydropower R&D by Bonneville Power Administration and the Western Area Power Administration. Both of these recommendations remain in progress:

1) Work with the Western Area Power Administration and the Bonneville Power Administration to develop and submit any necessary legislation and enter into a Memorandum of Understanding with Reclamation to help fund, on a direct financing basis, hydropower research that directly benefits power customers. The President's 2005 budget proposed this, and the 2006 budget re-proposes it. (2) Submit legislation establishing overarching authority to enter into cooperative agreements for Research and Development. Action on this recommendation is in progress.

Hydropower Program – The PART review for the FY2004 budget acknowledged that the program has a clear purpose and overall good management. However, the program lacked adequate long-term goals and was rated as *Results not Demonstrated*. The Hydropower program worked with internal and external stakeholders to develop new and improved performance measures and was re-evaluated under PART in conjunction with the FY 2005 budget. The Hydropower program was rated as *Effective* in the second evaluation. These revised long-term goals

Budget and Performance Integration

help Reclamation better focus its resources on maintaining the long-term viability of its hydropower infrastructure. Because of changes to industry data collection standards, the performance measure tracking the cost efficiency of hydropower operations is being revised.

Rural Water Program – A major finding of the PART was the absence of authorizing legislation for a formal rural water program; thereby limiting Reclamation's ability to manage it as such. Subsequent to the PART review that was completed in conjunction with the FY 2004 budget, the Administration submitted legislation to Congress in March 2004 proposing to establish a rural water program within Interior in March 2004. The proposal was introduced as S. 2218 by Senator Domenici. A hearing before the Senate Energy Committee on this and several other similar proposals was held on March 25, 2004, but no further action on this legislation was taken before the 108th Congress adjourned. The legislation is expected to be reintroduced in the 109th Congress.

The FY 2006 request includes funding for ongoing municipal, rural, and industrial (MR&I) systems for Garrison Diversion Unit (North Dakota), Lewis and Clark Rural Water System (South Dakota), and the Mni Wiconi Project (South Dakota, including three Indian reservations). In the long term, water needs of rural communities may also benefit from Water 2025 as it helps communities look at new technologies and new management strategies for their water resources.

Title XVI Water Reclamation and Reuse Program – The PART review completed during development of the FY 2004 budget for this program determined that Reclamation did not have well established long term goals and the annual performance accomplishments were difficult to control because local non-Federal sponsors implement projects and Reclamation does not control construction schedules. As a result, the Title XVI program was rated as *Ineffective*. Reclamation developed an action plan to address the shortcomings in FY 2004. It is also developing improved performance measures and a website to make it easier for clients and the general public to track its progress in constructing projects and developing reclaimed water supplies.

The results of all of these PART evaluations were used in budget development and planning for FY 2006.

2. Cost and Performance

Effective at the beginning of FY 2004, ABC was fully implemented within the Bureau of Reclamation. Reclamation's performance, finance and budget staffs worked throughout FY 2003 to link costs to facilitate the implementation. This included completion of a crosswalk linking over 150,000 cost accounts to Interior ABC activities. Processes were developed for coding new accounts and to ensure integrity of information. In FY 2004, Reclamation 1) linked its work to Interior activities; 2) tracked the costs associated with those activities; 3) aligned cost and activities to strategic goals, and 4) linked cost to performance data, namely outputs and outcomes.

The availability of this information provided Reclamation with additional resources and tools for management and decisionmaking, and was used in the formulation of the 2006 budget to better focus fiscal resources and Bureau and Departmental priorities.

Strategic Management of Human Capital:

In support of the President's Management Agenda Human Capital Initiative and Interior's Strategic Human Capital Management Plan (FY 2003-2007), the Strategic Human Capital Management Implementation Plan (December 12, 2002), and Reclamation's Workforce Plan (2004 to 2008), numerous action items have been developed that identify implementation plans and expected results. Reclamation will dedicate staff and align human resources strategically in support of efforts necessary to close mission-critical competency gaps. It will do

Budget and Performance Integration

so by: successfully competing for talent and developing an accountability system to ensure that human capital management is merit based, effective, efficient and supportive of Reclamation's mission accomplishment.

Reclamation is implementing a new performance management system in FY 2005 that applies to all non-SES employees and provides for a five-level system in contrast to the previous two-level system of pass/fail. It gives management the tools to reward exceptional performance and the ability to address performance problems. This system also assures the linkage individual accomplishments with organizational goals.

In addition, there are plans to fully implement QuickHire, an automated staffing program by FY 2006. Funding will also be directed to support additional e-Gov initiatives such as the Learning Management System (LMS) for training and development, and the Enterprise Human Resource Integration (EHRI).

Competitive Sourcing:

Reclamation continues to comply with the Federal Activities Inventory Reform (FAIR) Act and Office of Management and Budget (OMB) competitive sourcing requirement needs, e.g., training, contractor support and employee related competitive sourcing support costs. Under the revised OMB Circular A-76, *Performance of Commercial Activities*, all A-76 studies must now focus on either standard or streamlined competition, thus eliminating previously used direct conversion studies. Reclamation developed a "Green Plan" for FY 2005-2008 in an effort to retain our green rating on Interior's scorecard.

Improved Financial Management - To support the President's Management Agenda on improving financial performance, Reclamation will continue to:

- Provide management with accurate and timely financial information to support operating, budget, and policy decisions;
- Improve financial and performance information integration;
- Ensure our financial information is fairly stated to achieve "unqualified" opinions from auditors; and
- Ensure our financial management systems fully comply with Federal financial system requirements and accounting standards.

Reclamation will continue to work closely with Interior to improve financial processes and help consolidate information. To continue to achieve the President's and Interior's objectives for increased accountability, we will enhance our financial policies and procedures in support of Interior's *Transformation of Interior Financial Management*. This integrated business management plan, which is designed to achieve a consistent approach that will provide managers and employees with financial, performance, budget, and cost data that is timely and reliable, has many facets, including:

- The Financial and Business Management System (FBMS) which will combine various data management systems into one overall system linking planning and budget data to information performance and results;
- New processes and procedures that will allow monthly, quarterly, and annual reporting, analysis, and auditing to meet the November 15 report and audit date;
- Improving the process for issuing financial policies and procedures to help ensure consistency throughout Interior; and
- Performance measures and quality control procedures to provide standards for evaluating our procedures.

Reclamation has made significant progress addressing financial management issues, including:

- Meeting OMB's accelerated November 15 deadline for completion of Reclamation's financial statements and receiving an unqualified opinion on the statements;
- Meeting and/or exceeding Interior's financial performance standards;

Budget and Performance Integration

- Actively participating in Interior's Financial Business and Management System (FBMS) initiative to include the functional design requirements and project management support;
- Completing eleven of twelve financial statement audit findings;
- Successfully implementing Interior's Activity Based Costing (ABC) initiative in an effort to improve budget and performance integration; and
- Completing an erroneous payment risk assessment as required by the Improper Payments Information Act of 2002.

Reclamation has received an "unqualified" opinion on all reports issued, which demonstrates our strong commitment to accurate and timely reporting. We will continue providing timely and useful information for management, the Administration, and Congress to forge effective decision-making and providing reliable and accurate information for our publics and partners to forge effective relationships.

Financial and Business Management System (FBMS) - Reclamation has been actively involved in Interior's FBMS initiative to replace its existing legacy systems with an integrated financial management system, and has committed staff on a full-time basis to assist Interior with the implementation of FBMS in all bureaus over the next four years. Reclamation staff has also participated in Interior's FY 2004 Blueprint effort to determine how to best utilize the functionality of the new enterprise system on an Interior-wide basis. Reclamation will implement FBMS in a subsequent deployment the beginning of FY 2008, and will use FY 2007 to plan and prepare for the implementation.

Capital Asset Planning and Control

Reclamation submitted seven Exhibit 300s for major IT system investments for FY 2006. Proposed investments in IT capital assets are supported by strong business cases that reflect an enterprise approach. Exhibit 300s for IT were revised to include performance measures in line with the Interior Strategic Plan and Federal Enterprise Architecture (FEA) Performance Reference Model (PRM). Reclamation's construction capital asset plans are prepared and updated to support budget requests for construction capital assets meeting Interior guidelines.

IT Capital Planning and Portfolio Management

For FY 2006, Reclamation plans to continue funding the development, documentation, implementation and certification of Reclamation's IT Capital Planning and Investment Control (CPIC) process, in compliance with Interior and OMB directives. Efforts will continue to incorporate CPIC processes into business practices to facilitate budgetary investment decisions and track IT system implementation performance. Funding needs for business case development and maintenance have been identified. Also, the need for increased funding is projected for project management training and certification. The Reclamation Chief Information office (CIO) has developed a plan to incorporate GAO's IT Investment Management framework into our processes, as discussed in the E-government scorecard and Interior Strategic Plan.

Reclamation has established an IT Portfolio which is used for capital planning, IT security tracking, architecture, and other IT management. We continue to refine the content of that portfolio each year as the IT environment and business requirements change. We are also improving the business processes used to manage the systems in the portfolio.

E-Government - Reclamation continues to support Federal and Departmental E-Gov and WEB initiatives, and anticipates increased coordination as we adopt Interior E-Gov Strategy and OMB's scorecard for rating progress in this area. This support includes participation in planning groups, such as the Web Council, e-Authentication and E-Gov teams, as well as implementation and integration of content. Some specific initiatives requiring Reclamation involvement are the Interior Financial and Business Management System, Recreation.gov, and the Geospatial One-stop efforts. In addition, Reclamation has partnerships with numerous local, State, and Federal

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organizations to share water management information and facilitate coordination using E-Gov technology.

Government wide E-Government Initiatives

Reclamation continues to participate in Government-wide initiatives; these help serve the public by providing one easy-to-access place to get information. We add and maintain information and help fund and improve procedures for uploading and accessing information. Some sites include:

- FirstGov.gov (<http://www.firstgov.gov>). This official U.S. gateway can search all Government information.
- Recreation.gov (<http://www.recreation.gov>). This site provides recreation information, including maps, facility descriptions, and activities offered at most Federal facilities.
- Volunteer.gov (<http://www.usafreedomcorps.gov/>). This site lists volunteer opportunities at Federal agencies.
- Geospatial One-Stop (<http://www.Geo-One-Stop.gov>). This site makes it easier, faster, and less expensive for all levels of government and the public to access geospatial information.

As additional initiatives which overlap Reclamation activities are identified and progress, we will be participating in those, as appropriate.

Interior Enterprise Architecture

Reclamation continues to budget for support of development of the Interior Enterprise Architecture process, while only maintaining supplemental Bureau-level architecture information and processes as those required by the Clinger-Cohen Act. Reclamation continues to collaborate with Interior, participating in the Interior Business Architecture Team, Domain Architecture Teams, Interior Architecture Workgroup, Architecture Review Board, and other ad-hoc working groups, as requested. FY 2006 funding will continue participation in maintenance and refinement of the Interior Architecture as technology changes and other business requirements and processes impact Interior and Reclamation.

Interior Enterprise Services Network

Reclamation is participating in the development and implementation of Interior's Enterprise Service Network. The purpose of this effort is to consolidate IT infrastructure investments that can be shared across Interior, such as points of presence on the Internet and co-located or shared Internet services servers (web, ftp, email, authentication, etc.). Reclamation will continue to actively participate in the design and implementation planning for the various phases of this effort to ensure that customer and employee requirements are met.

Information Technology Security

In FY 2006, Reclamation plans to continue diligent evaluation and implementation of IT security requirements. Cyber security improvements for FY 2006 include implementing audit recommendations related to IT security, contractor support for security studies and assessments, physical security for IT, secure communications, background clearances for IT personnel, and IT security training. FY 2006 funding includes participation in Interior's IT Security Awareness training, training for IT security professionals (including several Certified Information System Security Professionals), and security training for other IT professionals. Reclamation is in the process of completing enhancements to its IT security posture as a result of a variety of system-specific IT security assessments and audits. The results of these assessments and audits addressing Cyber security issues have also enabled Reclamation to refine its priorities and better organize near-term security activities. A number of baseline security policies, directives and standards, and guidance materials have been developed and implemented at both the Reclamation and Departmental levels. These documents, along with perimeter protection hardware and software products, have enabled Reclamation to substantially reduce its vulnerability to

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Internet-based and other internal and external threats. FY 2006 activities are focused on the mitigation of weaknesses found during the Certification and Accreditation (C&A) process, most of which are funded by the IT security portion of the IT system budgets. Additional activities will address and minimize dial-in threats, establish extranets, improve awareness and management training programs, identify internal governance processes and remediation procedures, institute broad-scope testing methodologies, and complete the C&A of new systems and those requiring re-accreditation.

General IT Investment

Reclamation's FY 2006 IT investment is represented on Interior's Exhibit 53, the IT Investment Portfolio. Each item on the Exhibit 53 is supported by an Exhibit 300, 300-1, or 300-2 and related planning and reviews. Reclamation's IT program continues to support its core mission and the priorities of Interior. In addition to providing core mission support, the FY 2006 IT budget reflects support of Government-wide priorities such as IT security, architecture, and capital planning. Funding priorities in FY 2006 include support of the implementation of Interior's Strategic Plan and continued support of the implementation of the President's Management Agenda and E-government strategies. A significant portion of Reclamation's IT budget supports Interior-wide shared systems such as the Federal Personnel and Payroll System and the Enterprise Services Network. Reclamation also collaborates with Interior and financially supports the development of new Interior-wide systems such as the Financial and Business Management System (FBMS). The IT program is funded by the Working Capital Fund. This fund operates on a fee-for-service basis, whereby individual offices and projects must reimburse the fund for work done.

IT Capital Planning and Investment Management, Enterprise Architecture, and IT Security are addressed on the Exhibit 53 and with Exhibit 300-2s describing Reclamation's plans and participation in Departmental efforts in these areas. IT Portfolio management, Plans of Actions and Milestones, and Project Management coordination will be overseen by the A-130 Program Management position being added to the CIO, as required by Secretarial Order 3244.

Privacy

Reclamation will continue to perform Privacy Impact Assessments on all major applications and general support systems. This includes completing the biennial Privacy Impact Assessment report. Reclamation will continue to train our Privacy Act Coordinators and IT systems managers so they can prepare the Privacy Impact Assessment. Reclamation will continue to meet the increased reporting needs required by the Privacy Act, updating existing System of Records (SORs) notices and publishing new ones as needed.

Electronic FOIA Amendment of 1996 (E-FOIA)

Reclamation continues to support the E-FOIA policy activities for FY 2006 with the Policy and Administration appropriation. Reclamation will fund requirements for Interior's Electronic FOIA Tracking System (EFTS) when those costs are identified to Reclamation.

Performance Summary

Reclamation's planning and performance framework aligns with the framework in the Interior Strategic Plan that was released on September 30, 2003. It places a strong emphasis on results and performance measurement and provides a framework for budget and performance integration, ABC, PART and other OMB and Departmental requirements.

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Reclamation's central remaining challenge for integrating performance and budget is to link progress on individual projects to achievement of Reclamation's and Interior's broader, longer-term goals and outcomes, clearly linking funding to performance.

Data Verification and Validation

Reporting valid, accurate, and reliable performance data is critical to ensuring that performance information is useful to management and provides a means of accountability. Data must be defined, interpreted, and reported in a consistent manner. Processes must also be in place to verify the accuracy of data. Sources of data must be documented and available.

Reclamation is continuing to improve its data management processes by developing better sources of data and/or linking with current data sources that already have reporting, verification, and validation procedures in place. An internal Data/Web Internet site contains data on projects, dam and power facilities, and water related resource statistics that may be used to verify annual performance data.

Data from regions and area offices are reported and reviewed quarterly to ensure that Reclamation is on track and reporting consistently. The reporting process helps managers and GPRA Coordinators verify data and monitor progress.

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Bureauwide Performance Table

RESOURCE USE							
End Outcome Goal: Deliver Water Consistent with Applicable State and Federal Law, in an Environmentally Responsible and Cost-Efficient Manner							
Outcome Measures	2003 Actual	2004 Target	2004 Actual	2005 Revised/ Final Plan	2006 Plan	Change in Performance 2005 to Planned 2006	Long-term Target (2008)
End Outcome Measures: Water Delivery: Acre-feet of water delivered consistent with applicable substantive and procedural requirements of Federal and State water law	26.1 maf	29.1 maf	29.4 maf	28.1 maf	28.4 maf	0.3 maf	28.4 maf
Reliability: Amount of acre-feet of restricted capacity	--	16,831 acre-feet of restricted capacity	16,831 acre-feet of restricted capacity	16,831 acre-feet of restricted capacity	16,531 acre-feet of restricted capacity	-300 acre-feet of restricted capacity	16,531 acre-feet of restricted capacity
Percent of water facilities that do not receive Federal or State notices of violation under environmental requirements as defined by Federal and State law	--	96% (312/325)	100% (325/325)	97% (315/325)	97% (315/325)	0	97% (315/325)

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Outcome Measures	2003 Actual	2004 Target	2004 Actual	2005 Revised/ Final Plan	2006 Plan	Change in Performance 2005 to Planned 2006	Long-term Target (2008)
Intermediate Outcome Measures: Strategy 1: Operate and Maintain Safe and Reliable Water Infrastructure Facilities Reliability: Water infrastructure is in fair to good condition as measured by the Facilities Reliability Rating	--	96% (324/338)	98% (331/ 338)	94% (317/338)	94% (317/338)	0	94% (317/338)
Facilities Condition: Facilities (exclusive of FRR facilities) are in fair to good condition as measured by the Facilities Condition Index (FCI)	--	Set baseline	--	87% (329/379)	87% (329/379)	0	87% (329/379)
Strategy 2: Effective Water Management to Optimize Supply Supply Management: Number of agreements, partnerships and management options exercised resulting in improved water supply	--	59	59	54	56	2	56

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Outcome Measures	2003 Actual	2004 Target	2004 Actual	2005 Revised Final Plan	2006 Plan	Change in Performance 2005 to Planned 2006	Long-term Target (2008)
Strategy 3: Address Environmental/Resource Stewardship Concerns Requirements: Percent of environmental audit findings and reviews addressed <i>(Note: Percent of findings will be corrected within one year of the audit results; pertain to both water and hydropower facilities)</i>	--	84%	56%	83%	84%	1%	84%
Strategy 4: Complete construction projects to increase delivery infrastructure and water availability Increased Supply: Potential acre-feet made available through completion of projects	25,402 AF	102,109 AF	103,598 AF	31,689 AF	33,535 AF	1,846 AF	29,900 AF

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RESOURCE USE							
End Outcome Goal: Deliver Hydropower Consistent with Applicable State and Federal Law, in an Environmentally Responsible and Cost-Efficient Manner							
Outcome Measures	2003 Actual	2004 Target	2004 Actual	2005 Revised Final Plan	2006 Plan	Change in Performance 2005 to Planned 2006	Long-term Target (2008)
End Outcome Measures: Achieve Cost Efficient Power Generation: Achieve the top quartile of lowest cost hydropower producers: Percentile of lowest cost hydropower producers, comparing cost per megawatt of installed capacity	Upper 25 th percentile	Upper 25 th percentile	Upper 25 th percentile	N/A Benchmarking data is no longer available; a replacement measure is being developed	N/A Benchmarking data is no longer available; a replacement measure is being developed	0	N/A Benchmarking data is no longer available; a replacement measure is being developed
Assure Reliability of Reclamation Generation: Achieve the Industry Average or Lower Forced Outage Rate: Percent of time in forced outage equal to or better (lower) than the industry average	56% lower than the industry average of 3% (=1.3%)	Meet the industry average <2.5%	50% lower than the industry average of 3% (= 1.5%)	Meet the industry average <2.5%	Meet the industry average <2.5%	0	Meet the industry average <2.5%
Percent of power facilities that do not receive notices of violations under environmental requirements as defined by law	--	94% (52/55)	98% (54/55)	96% (53/55)	96% (53/55)	0	96% (53/55)

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Outcome Measures	2003 Actual	2004 Target	2004 Actual	2005 Revised Final Plan	2006 Plan	Change in Performance 2005 to Planned 2006	Long-term Target (2008)
Intermediate Outcome Measures Strategy 1: Operate and Maintain Reliable, Safe and Secure Power Facilities Facility Reliability: Power Facilities are in fair or better condition as measured by the Facilities Reliability Rating	98% assessed	96% assessed	100% assessed	95% (53/56)	95% (53/56)	0	95% (53/56)
Strategy 2: Improve Power Generation Management to Maximize Supply Percent of time that Bureau of Reclamation hydroelectric generating units are available to the interconnected Western electrical system during daily peak summer demand periods	--	91.5%	92%	91.8%	92%	.2%	93%

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RECREATION							
End Outcome Goal: Provide for a Quality Recreation Experience, including Access and Enjoyment of Natural and Cultural Resources on DOI Managed and Partnered Lands and Waters							
Outcome Measures	2003 Actual	2004 Target	2004 Actual	2005 Revised Final Plan	2006 Plan	Change in Performance 2005 to Planned 2006	Long-term Target (2008)
Intermediate Outcome Measure Strategy 1: Improve Capacities to Provide Access for Recreation Universal Access: Percent of universally accessible facilities in relation to the total number of recreation areas	12.8%	16% (117/ 717)	12.6% (134/ 1061) Denominator changed due to updates in Accessibility Data Management System (ADMS)	15% (161/ 1066) Denominator changed due to updates in Accessibility Data Management System (ADMS)	20% (218.5/ 1066)	5%	28% (297.8/ 1066)
Strategy 3: Manage Recreation Activities Seamlessly Enhance Partnerships: Percent of recreation areas with community partnerships	--	66% (182/ 274)	66% (182/ 274)	66% (182/ 274)	66% (182/ 274)	0	69% (188/ 274)
Strategy 4: Enhance the Quality of Recreation Opportunities Facilities Condition: Facilities are in fair to good condition as measured by the Facilities Condition Index	--	Set baseline	--	70% (14/20)	70% (14/20)	0%	70% (14/20)

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RECREATION							
End Outcome Goal: Fair Value in Recreation							
Outcome Measures	2003 Actual	2004 Target	2004 Actual	2005 Revised Final Plan	2006 Plan	Change in Performance 2005 to Planned 2006	Long-term Target (2008)
Intermediate Outcome Measures Strategy 1: Promote Quality Services for Recreation Increase Competition: Percent of concession activities with performance based contracts	--	0% (0/19) No contracts were due for renewal in FY 2004	5% (1/20) Denominator changed due to a new concession opportunity	11% (2/18)	17% (3/18)	6%	17% (3/8)
Customer satisfaction with value for fee paid	--	--	--	Set baseline	TBD based on baseline data	--	TBD based on baseline data
Percent of fee receipts spent on fee collection	--	--	--	Set baseline	TBD based on baseline data	--	TBD based on baseline data

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RESOURCE PROTECTION							
End Outcome Goal: Improve Health of Watersheds, Landscapes, and Marine Resources that are DOI Managed or Influenced in a Manner Consistent with Obligations Regarding the Allocation and Use of Water							
Outcome Measure	2003 Actual	2004 Target	2004 Actual	2005 Revised Final Plan	2006 Plan	Change in Performance 2005 to Planned 2006	Long-term Target (2008)
Intermediate Outcome Measure Strategy 1: Restore and Maintain Proper Function to Watersheds and Landscapes Salinity Control: Tons of salt loading prevented (UC Region only)	30,393 additional tons	25,000 additional tons	26,680 additional tons	21,000 additional tons	21,000 additional tons	0	21,000 additional tons
RESOURCE PROTECTION							
End Outcome Goal: Sustain Desired Biological Communities on DOI Managed and Influenced lands and Waters in a Manner Consistent with Obligations Regarding the Allocation and Use of Water							
Outcome Measures	2003 Actual	2004 Target	2004 Actual	2005 Revised Final Plan	2006 Plan	Change in Performance 2005 to Planned 2006	Long-term Target (2008)
End Outcome Measures: Percent of known invasive plant infestations known to be controlled	--	--	--	92% (5099.5/5546)	92% (4937.5/5390)	0	TBD Based upon accomplishments captured in FY 05 and FY 06

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PART Performance Tables

To date, OMB has reviewed six Reclamation programs using OMB's Program Assessment Rating tool (PART). As part of the review, programs are assessed on how well they measure program accomplishments and results through quantifiable and measurable long-term and annual performance goals. The goals should measure the results of the program as well as the outputs and products. In some cases where performance measures are not adequate or absent, measures will be developed as a result of the PART. Established program measures as well as measures developed for the PART are provided below.

Programs are responsible for tracking and reporting their measures. Because the PART performance measures are developed outside of the strategic planning process, most of the measures are not included in the Department's strategic plan, but are tracked as an internal operating measure. A few of the measures (e.g. power cost, forced outage and power availability) were already included as key measures in the Department's strategic plan and Reclamation's Operating Plan. Strategic Plan measures will be reassessed over time as the PART identifies ways to improve them, or whether they should be discontinued or replaced with other measures.

Water Management Supply – Planning and Construction, FY 2006

Measure Term	Measure Type	Measure	Explanation of Measure (if necessary)	Target Year	Target	Actual
Annual	Output	Acre-Feet of New Storage	This measure presents the acre-feet of new storage that is provided as a result of project construction. Targets and actual accomplishment are based on those projects that are either substantially completed or have portions (storage features) that are substantially completed. It is recognized that there may be several years of "zero" shown for targets and "zero" shown for actual performance because construction programs are generally multi-year.	2004 2005 2006 2007 2008	0 0 0 0 0	0
Annual	Output	CFS-Miles of Conveyance Systems	Measure relates to a significant element of Reclamation's construction program. This measure integrates	2004 2005	Set Baseline	350

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			both the size of conveyance and distribution systems with the size (cubic feet per second) that is provided as a result of project construction. Targets and actual accomplishment would be based on those projects that are either substantially completed or have portions that are substantially completed.	2006 2007 2008		
Recreation and Concessions, FY 2006						
Measure Term	Measure Type	Measure	Explanation of Measure (if necessary)	Target Year	Target	Actual
Annual	Output	Universal Access: Percent of universally accessible facilities in relation to the total number of recreation areas	This measure quantifies the degree to which Reclamation's recreational sites comply with current accessibility standards and regulation.	2004 2005 2006 2008	16% 15% 20% 28%	12.6%
Annual	Output	Enhance Partnerships: Percent of recreation areas with community partnerships	Includes only those Reclamation recreation areas managed by a State, county or local entity.	2004 2005 2006 2008	66% 66% 66% 66%	66%
Long-term	Output	Facilities Condition: Facilities are in fair to good condition as measured by the	Includes only those recreation facilities managed directly by Reclamation.	2004 2005	70% 70%	70%

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		Facilities Condition Index		2006	70%	
				2008	70%	
Annual	Output	Increase Competition: Percent of concession activities with performance- based contracts	This goal includes only those concessions under contract with Reclamation.	2004	0%	5%
				2005	11%	
				2006	17%	
				2008	17%	
<p>Actions to address PART deficiencies:</p> <p>Progress to date: Baseline data is being collected for the Facilities Condition measure. Out year targets will be developed once this is completed. An action plan is also being developed to address PART recommendations including preparation of guidance for managing recreation facilities and expanding performance based contracts metrics to managing partners.</p> <p>Planned actions for FY 2006: Reevaluate status based on implementation of the action plan.</p>						

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Science and Technology, FY 2005						
Measure Term	Measure Type	Measure	Explanation of Measure (if necessary)	Target Year	Target	Actual
Annual	Outcome	Produce a 10:1 return on Reclamation's R&D investment using the economic present value of the quantity of water liberated for stakeholders as a result of deploying program R&D outputs.	Tracks if R&D outputs get used and produce a 10:1 return on the annual R&D investment. Targets set based on estimated R&D investment with water liberation as the primary outcome. Targets will be adjusted based on actual annual program appropriations.	2004	Set baseline	Baseline data is being gathered that will be complete in the second half of FY 2005
				2005	41,000 acre-feet	
				2006	41,000 acre-feet	
				2007	41,000 acre-feet	
				2008	41,000 acre-feet	
Long-term	Outcome	Produce a 10:1 cumulative rate of return on Reclamation's R&D investment over a 6-year period using the economic present value of the quantity of water liberated for stakeholders as a result of deploying program R&D outputs.	Tracks if R&D outputs get used and produce a 10:1 cumulative return (accumulation of annual stream of benefits) on the R&D investment based on six years of record. Targets set based on water liberation as the primary outcome.	2004 2005 2006 2007 2008		Baseline data is being gathered that will be completed in the second half of FY 2005
Annual	Outcome	Produce a 10:1 return on Reclamation's investment in terms of the economic present value of operational costs avoided as a result of deploying program R&D outputs.	Tracks if R&D outputs get used and produce a 10:1 return on the annual R&D investment. Targets set based on estimated R&D investment with cost saving as the primary R&D outcome. Targets will be adjusted based on actual annual program	2004	Set baseline	Baseline data is being gathered that will be completed in the second half of FY 2005

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			appropriations.			
				2005	\$406,000	
				2006	\$406,000	
				2007	\$406,000	
				2008	\$406,000	
Long-term	Outcome	Produce a 10:1 cumulative rate of return on Reclamation's R&D investment over a 6-year period in terms of the economic present value of operational costs avoided as a result of deploying program R&D outputs.	Tracks if R&D outputs get used and produce a 10:1 cumulative return (accumulation of annual stream of benefits) on the R&D investment based on six years of record. Targets set based on estimated R&D investment with cost savings as the primary R&D outcome.	2010	\$8.5 million	Baseline data is being gathered that will be completed in the second half of FY 2005
Annual	Outcome	Produce a 10:1 return on Reclamation's R&D investment in terms of the economic present value of increased power generation efficiency or reliability as a result of deploying program R&D outputs.	Tracks if R&D outputs get used and produce a 10:1 return on the annual R&D investment. Targets set based on estimated R&D investment with power generation as the primary R&D outcome. Targets will be adjusted based on actual annual program appropriations.	2004	Set baseline	Baseline data is being gathered that will be completed in the second half of FY 2005
				2005	12.5 million KWH	
				2006	12.5 million KWH	
				2007	12.5 million KWH	
				2008	12.5 million KWH	

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Long-term	Outcome	Produce a 10:1 cumulative rate of return on Reclamation's R&D investment over a 6-year period in terms of the economic present value of increased power generation efficiency or reliability as a result of deploying program R&D outputs.	Tracks if R&D outputs get used and produce a 10:1 cumulative return (accumulation of annual stream of benefits) of the R&D investment based on six years of record. Targets will be adjusted based on actual program appropriations.	2010	262.5 million KWH	Baseline data is being gathered that will be completed in the second half of FY 2005
Annual	Efficiency (Output)	Increase R&D collaboration by increasing the amount of resource leveraging per program dollar by 5% each year.	The goal is intended to catalyze the production of R&D outputs. This measure tracks resource leveraging as an efficiency ratio of resources leveraging achieved per program dollar. The measure pursues a 5% efficiency increase over each prior year.	2004	Set baseline	Baseline data is being gathered that will be completed in the second half of FY 2005
				2005	Partner's \$ per Program \$ = 5% increase over FY2004	
				2006	Partner's \$ per Program \$ = 5% increase over FY2005	
				2007	Partner's \$ per Program \$ = 5% increase over FY2006	
				2008	Partner's \$ per Program \$ = 5% increase over FY2007	
Long-term	Efficiency (Output)	Increase R&D collaboration by increasing the cumulative resource leveraging per program dollar by 34% over a 6-year period.	This measure tracks resources leveraging as an efficiency ratio of resource leveraging achieved per program dollar. The measure pursues a cumulative overall program efficiency increase over a 6-year period.	2010	Partner's \$ per Program \$ = 34% cumulative increase since FY 2004	Baseline data is being gathered that will be completed in the second half of FY 2005

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Annual	Efficiency (Output)	Increase technology transfer to end-users by increasing the production rate of S&T Bulletins per program dollar by 5% each year	The goal is intended to catalyze putting R&D outputs in the hands of end-users. This measure tracks production of relevant R&D findings and their dissemination to end-users as an efficiency ratio of electronic S&T Bulletins produced per program dollar.	2004	Set baseline	Baseline data is being gathered that will be completed in the second half of FY 2005
				2005	# S&T Bulletins per program \$ = 5% increase over 2004	
				2006	# S&T Bulletins per program \$ = 5% increase over 2005	
				2007	# S&T Bulletins per program \$ = 5% increase over 2006	
				2008	# S&T Bulletins per program \$ = 5% increase over 2007	
Long-term	Efficiency (Output)	Increase technology transfer to end-users by increasing the cumulative production rate of S&T Bulletins per program dollar by 34% over a 6-year period	Tracks production of relevant R&D findings and their dissemination to end-users as an efficiency ratio of electronic S&T Bulletins produced per program dollar. The measure pursues a cumulative overall program efficiency increase over a 6-year period.	2010	# S&T Bulletins per program \$ = 34% cumulative increase since 2004	Data is being gathered

Actions to address PART deficiencies:

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Progress to date: The Baseline year is FY 2004. Tracking systems are in place to gather data.

Planned actions for FY 2006: The program will continue to track progress on established goals. The program will select its research and development activities to conform to the Administration Research and Development Criteria.

Hydropower, FY 2004 Review and FY 2005 Reassessment						
Measure Term	Measure Type	Measure	Explanation of Measure (if necessary)	Target Year	Target	Actual
Long-term	Efficiency (Outcome)	Increase the amount of time Reclamation hydroelectric generating units are available to the interconnected Western electrical system during daily peak demand periods from the present baseline average of 92 percent to 94 percent over the next 10 years.	The peak period is defined as the 3-month annual period when demand is highest. The weekly peak period is defined as Monday thru Friday between 7AM to 7 PM. The availability will be calculated using a 10-year rolling average beginning with years 1994 through 2003.	2003	Set baseline	91.2% Some of Reclamation's peak periods occur during winter months. The 2003 baseline reflects the proper peak periods.
				2004	91.5	92%
				2005	91.8	
				2006	92	
				2007	92.3	
		Improve the overall condition and long-term reliability of Reclamation powerplants by reducing the total amount of generating capacity that has a major generator/turbine related component rated in poor condition from the present 46 percent to 40 percent over the next ten years.	The major components include the unit penstock, control gate, exciter, generator, turbine runner, breaker, and transformer.	2003	Set baseline	46%
Long-term	Outcome			2004	45.4%	45%
				2005	44.8%	
				2006	44.2%	
				2007	43.6%	

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				2008	43.0%	
Annual	Efficiency (Outcome)	Maintain a forced outage rate on hydropower units that is lower than the industry average for similar units. In FY 2003 attain a 3 percent or lower rate for Reclamation hydropower units.	This goal is designed to keep Reclamation better than the industry average. The goal changes based on the latest industry average which is now down to 2.5.	2001	< 3%	1.5%
				2002	<3%	1.3%
				2003	<3%%	1.5%
				2004	<2.5%	0.7%
Annual	Efficiency (Outcome)	Reclamation power production costs will be kept in the cheapest quartile of the industry for comparable hydroelectric plants (above 75%).	This measure will track the cost efficiency of Reclamation hydropower generation. The 1st percentile would be the most expensive hydropower generation, while the 100% percentile would be the most cost efficient, or cheapest.	2001	Within 75 percentile (upper 25 th of lowest cost facilities)	85 (upper 15 th percentile)
				2002	Within 75 percentile (upper 25 th of lowest cost facilities)	84 (upper 16 th percentile)
Annual				2003	Within 75 percentile (upper 25 th of lowest cost facilities)	Estimated 77 (upper 23 rd percentile)
				2004 - 2008	Within 75 percentile (upper 25 th of lowest cost facilities)	75 (Upper 25 th percentile)
	Output	Perform annual condition assessments at all power facilities		2003	58	58
				2004 - 2008	58 each year	58
Long-term	Output	Perform comprehensive facility reviews of every hydropower plant once every six years.		2003	11	11

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				2004 - 2008	Complete 100 percent of scheduled CFRs for each year.	TBD

Actions to address PART deficiencies:

Progress to date: Following the FY 2004 PART assessment, the Power Resources Program worked with internal and external stakeholders to develop new long-term performance measures to address PART deficiencies. Two new stretch goals have been developed that better measure Reclamation's ability to provide reliable and to make power available during peak demand periods. Reclamation then reassessed the goals under PART for FY 2005 and received a score of 92 percent.

Planned actions for FY 2006: Reclamation's Power Program will continue to track progress on its established goals.

Rural Water, FY 2004							
Measure Term	Measure Type	Measure	Explanation of Measure (if necessary)	Target Year	Target	Actual	Comment
PART Rural Water Measures							The proposed measures provided in the original PART review are not being included because Reclamation must first address the deficiency to define a clear program purpose. Draft legislation defining the program and seeking authorization has been sent to the Office of Management and Budget. We have not yet received response from OMB and are on hold until such time as guidance and direction is provided. Additional performance measures will be developed and tracked once program purpose is clearly defined through authorizing legislation.

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Annual	Outcome	Increased Supply: Potential acre-feet made available through completion of projects	This performance measure is not specific to Rural Water, but is a Reclamation-wide GPRA measure to increase water availability through completion of projects. The performance target represents Rural Water's contribution the Reclamation goal to increase water availability	2004	2579	FY 2003 – 1136 acre feet of water was provided through completion of projects or parts of rural water projects	Rural Water will continue to contribute to this measure while other program-specific measures are developed.
				2005	1900		
				2006	2400		
				2007	3100		
				2008	9200		

Actions to address PART deficiencies:

Progress to date: In March 2004, the Administration submitted legislation to Congress proposing to establish a Rural Water Program within the Department of the Interior. The proposal was introduced as S.2218 by Senator Domenici by request. A hearing on this and several other similar proposals was held on March 25, 2004.

Planned actions for FY 2006: Pending outcome of legislation.

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Title XVI, FY 2004							
Measure # Measure Term	Measure Type	Measure	Explanation of Measure (if necessary)	Target Year	Target	Actual	Comment
PART Title XVI Water Reuse and Recycling Measures							The proposed measures provided in the original PART review are currently being evaluated for applicability and relevance given the Administration's intention to devolve from the program. An action plan has been developed and is currently being pursued to develop more realistic long and short-term goals, and to implement a more efficient and meaningful methodology for estimating and documenting future accomplishments in the area of alternative water supply development. Additional performance measures will be developed and tracked once the action plan has been completed.
Annual	Outcome	Increased Supply: Potential acre-feet made available through completion of projects	This performance measure is not specific to Title XVI, but is a Reclamation-wide GPRA measure to increase water availability through completion of projects. The performance target represents Title XVI's contribution to the Reclamation goal to increase water availability.	2003	NA		Title XVI will continue to contribute to this measure while other program-specific measures are developed that highlight total contribution of new supplies actually delivered in a given year.

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				2004	24,620		
				2005	25,750		
				2006	88,000		
				2007	0		No projects are scheduled for completion
				2008	0		No projects are scheduled for completion
Long Term	Outcome	Increased affordability and public acceptance of water reuse projects by improving and enhancing treatment technologies through research: Potential reduction in reuse cost through completion of research projects	This performance measure was based on an estimate of the reduction in wastewater treatment cost attainable through research. The Administration has subsequently decided to focus Title XVI research on desalination. Funding available in FY 2004 for this purpose is the result of a write-in for use by the Water Reuse Foundation. Plans for the expenditure of these funds are currently being formulated.	2004	TBD	FY 2003 – Awards for 6 research projects were completed. No projects are yet completed.	This measure is no longer applicable as defined and we are the process of redefining it to focus on the Administration's priority for research on impaired ground water and surface water desalinization. A new measure for this activity is being developed. Expenditures of funding requested for Title XVI desalination research is being coordinated with the S&T Program.
				2005	NA		
				2006	NA		
				2007	NA		
				2008	NA		

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Actions to address PART deficiencies:

Progress to date: No new planning studies will be initiated by Reclamation. Those ongoing projects begun with prior year funding should be completed in FY 2004.

Contracts to conduct research have been awarded for numerous projects to be conducted with prior year funding. One project is near complete and 5 others are underway.

Planned actions for FY 2006: No additional Title XVI projects actions are being planned. However, Reclamation may be directed by Congress through write-ins to conduct additional planning investigations.

To follow-up on PART deficiencies, Reclamation plans to:

- Develop a process and protocol for interacting with Title XVI non-Federal Project Sponsors. The intent is to establish project-specific performance goals (such as construction time lines) which will be directly tied to Federal dollars contributed to the project.
- Conduct a comprehensive evaluation with each non-Federal sponsor of a currently authorized project for which the President has requested funds in prior years to ascertain current project construction schedules and estimated capacity at time of completion.
- Ascertain from project sponsors estimates of actual water deliveries at completion of construction as a means of determining long-term goal for increasing water availability.
- Conduct a comprehensive evaluation with each non-Federal sponsor of a currently authorized project for which the President has requested funds in prior years to ascertain current project yield and current reclaimed water deliveries as a means to establish a base line for measuring annual performance toward meeting the long-term goal.
- Estimate annual performance goals based on project sponsor estimates and estimates of future Federal funding.
- Plans are being formulated to coordinate Title XVI desalination research with the S&T program. Performance measures applicable to the S&T program will also apply to the Title XVI research program.